



NATIONAL NEWS FLASH



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NNF 17 of 2021

24 April 2021

WAGE NEGOTIATIONS COLLAPSE

At the wage negotiations held at the Public Service Co-ordinating Bargaining Council (PSCBC) on 23 April 2021 Labour and the State as Employer could not find each other.

In News Flash 16 of 2021 we indicated that not all was doom and gloom regarding wage negotiations. The employer had requested a period of one week to consult their principals for a fresh mandate and we were optimistic that the employer would come back with a reasonable counteroffer, having demanded a substantial shift around the Cost-of-Living Adjustments (COLA) and the Terms of the Agreement.

Negotiations resumed on Friday, 23 April 2021. The employer indicated that they had identified anomalies in the current benefits dispensation and that addressing them may free up funding that could potentially be utilized to fund the COLA.

The employer proposed the following

1. A freeze on pay progression until a new remuneration dispensation has been developed and implemented through the Personnel Expenditure Review (PER). This according to the employer could result in a saving of approximately R7 billion.
2. Abolishment of Annual Leave encashment which will save R2.3 billion.
3. Abolishment of the current Special Daily Allowance could result in a saving of approximately R280 million per annum.
4. Abolishment of cash payment for improved qualifications which will result in a saving of R90 million per annum
5. Abolishment of resettlement costs in cases of employee-initiated relocations which will result in a saving of approximately R30 million

According to the employer these steps will amount to a total saving of approximately R9.4 billion which the employer proposes to use for a once-off cash payment to public servants.

In simple terms the employer is requesting Labour to forgo gains that have already been made. It is like taking money from the back pocket and putting it in the front pocket. “Robbing Peter to pay Peter”.

Labour viewed the employer’s proposal as an insult. The proposal suggested that money will be taken away from employees to fund them.

The employer declared that it was their final offer. Without any substantial offer made by the employer and parties dead-locking, Labour declared a dispute.

Labour will formalize the dispute on 4 May 2021. Members will be updated on developments as they happen.

**BASIL MANUEL
EXECUTIVE DIRECTOR**